

To the Members of the California State Senate:

I am returning Senate Bill 646 without my signature.

This measure creates an additional reporting requirement on local government and directs grant funds outside the normal competitive process to Keep California Beautiful, an existing non profit organization that is organized for litter reduction education.

The guaranteed set-aside for Keep California Beautiful is a precedent that should not be continued. This bill creates a \$300,000 statutory directed grant from the Beverage Container Recycling Fund to a specific entity. Other recipients of set-aside funds under the Recycling Program either administer the program or directly participate in the recycling of beverage containers. Keep California Beautiful, while helping promote the Recycling Program, does not actually perform the manufacturing, sale, or recycling of the products included in the Program.

Continuation of this funding circumvents prior agreements and will result in redundant funding for this organization. The competitive grant program under the Recycling Program was increased from \$500,000 to \$1.5 million to compel similar applicants to compete for state grant support.

For the reasons listed above I am unable to support this measure.

Sincerely,

Arnold Schwarzenegger